

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0748-01
Bill No.: HB 154
Subject: Drugs and Controlled Substances; Economic Development Department; Health Care; Pharmacy
Type: Original
Date: January 8, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator (CTS)**, **Office of Attorney General (AGO)**, **Department of Health (DOH)** and the **Department of Insurance (INS)** assume this proposal would not fiscally impact their agencies.

In a previous similar proposal, the **Department of Economic Development - Division of Professional Registration (DPR)** officials stated the costs associated with implementation of this proposal would be paid out of the Pharmacy fund. DPR states the implementation of this proposal may necessitate license fee increases to cover the costs associated with the program. DPR assumes a .5 Licensure Technician I would be needed to process the reports, correspond with the reporting party and licensees involved, and to work with the chief inspector and board staff to implement and maintain the program. DPR states the office and communication expenses are based on estimated existing costs within the division and follow Office of Administration (COA) guidelines.

DPR estimates that approximately 1,884 reports of prescription mistakes would be received on an annual basis which equals 36 reports per week. DPR estimates that the chief inspector would be required to spend one day per week in the board office to review and evaluate the reports. Currently, the chief inspector comes to the office every other week so this would be an additional two times per month. The chief inspector's additional travel expenses have been estimated at \$3,960 annually.

DPR estimates that five percent (94) of the reports filed would require field investigations. DPR estimates that an average investigation would require approximately six hours of fieldwork. DPR estimates total investigative travel expenses of \$23,970 annually. DPR estimates that ten percent of the investigations would be forwarded to the Attorney General's office for further action. DPR assumes that there would not be any cases until FY2002. DPR states the average costs per case with the Attorney General's Office is \$5,400. DPR estimates annual legal costs of \$48,600.

Oversight assumes the proposal would only require that a pharmacy notify the Pharmacy Board (Board) of any mistake in a prescription made by such pharmacy. In addition, if the pharmacy is a defendant in a court action it would notify the Board of final disposition. The Board would review the court action and may provide additional training to the pharmacy to reduce future mistakes. **Oversight** assumes there may be costs of providing the additional training but these costs could be absorbed with existing resources.

FISCAL IMPACT - State Government

FY 2002 (10 Mo.)	FY 2003	FY 2004
\$0	\$0	\$0

FISCAL IMPACT - Local Government

FY 2002 (10 Mo.)	FY 2003	FY 2004
\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small pharmacies would expect to be fiscally impacted due to the reporting requirements of the proposal.

DESCRIPTION

This proposal would require licensed pharmacies to notify the Board of Pharmacy of any mistakes made in filling prescriptions within 10 days of discovery. The proposal would also require any pharmacy named in a court action regarding a mistaken prescription to notify the board within 10 days of final disposition of such action. Following notification, the board would review the case to determine if the pharmacy is in need of additional pharmacy training.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Office of Attorney General
Department of Health
Department of Insurance
Department of Economic Development
Division of Professional Registration



Jeanne Jarrett, CPA
Director
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